



BellSouth Telecommunications, Inc. 615 214-6301
Suite 2101 Fax 615 214-7406
333 Commerce Street
Nashville, Tennessee 37201-3300

December 3, 1999

Guy M. Hicks
General Counsel

EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996*
Docket No. 99-00430

Dear Mr. Waddell:

Enclosed are fourteen copies of BellSouth's supplemental response to Late-Filed Hearing Exhibit AJV-4, which was filed on November 19, 1999. This information is being filed in response to the Arbitrator's request for information relating to the average duration of local and ISP calls.

A copy of the enclosed has been provided to counsel of record for DeltaCom.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

FILE

REQUEST: Please provide: (1) copies of studies supporting the average duration of local and ISP calls; and (2) available information concerning the average duration of all calls, except long distance. (Transcript page 742, line 14 to page 744, line 2)

RESPONSE:

- (1) See response filed November 19, 1999.
- (2) Attached as page 3 is BellSouth's most current subscriber line usage study for Tennessee, which indicates that the average duration of the sum of local calls and ISP calls was 5 minutes for the period September through December 1998. In this study, ISP calls were not separately identified. The difference in the duration of voice calls as compared to calls to ISPs is indicated by examining the minutes per call for BellSouth's basic residence and business offerings as compared to BellSouth's basic rate ISDN offerings (Column 4). The predominant use of ISDN services is dial-up data transmission, so those call durations are indicative of dial-up ISP calls. There is a wide disparity in the average duration of ISDN calls and all other calls.

The 1998 average duration of 5 minutes for all local and ISP calls reflects the fact that the over-whelming majority of calls originating on BellSouth's network are in fact local calls. BellSouth does not have subscriber line usage data for 1999, which would likely reflect an average duration longer than 5 minutes because of the increased use of the Internet between 1998 and 1999. However, whatever year is considered, the average duration for all calls originated by BellSouth masks the disparity between local and ISP calls.

To illustrate the degree of disparity between local and ISP calls, the comparison on page 4 is utilized. In the first section of page 4, an average minutes per call is computed for the combined total of local calls and ISP calls exchanged between BellSouth and CLECs. This computation uses the Minutes of Use (MOU) data provided in Varner Rebuttal Testimony Exhibit AJV-1 (Docket 99-00430) and Rebuttal Exhibit AJV-2 (Docket 99-00377) as Column (1). The combined total of local and ISP calls that generated these minutes was extracted from BellSouth's records. The actual average minutes per call for the combined total of ISP and local calls is 11.83 minutes.

FILE

To indicate the degree of disparity that exists to produce this average duration of 11.83, in the second section of page 4 we developed an average duration utilizing the NARUC data, provided in BellSouth's original response to this exhibit request. Number of calls (and therefore, minutes per call) for ISP and local calls separately is not available; therefore, as an estimate, we computed the number of calls using 22 minutes per call for ISP calls and 3.5 minutes per call for local calls. Using these assumptions, the average minutes per call for the combined total of local and ISP calls billed to BellSouth from CLECs is 10.28 minutes. Since the actual call duration for such calls (11.83) is longer than the duration using the estimates (10.28), the estimate of call duration for ISP calls is conservative. This result indicates that the actual average ISP call duration is longer than the 22 minutes used in the example.

Most important, the substantially longer call durations for calls exchanged between BellSouth and CLECs shows that a single rate for reciprocal compensation would severely over-recover costs. A reciprocal compensation rate developed for local calls would only recover call setup costs over a duration of 3.5 minutes in the example. Using this same rate on calls that exceed 22 minutes would over-recover call setup costs by over 500%. Even using this rate on the total traffic exchanged between BellSouth and CLECs would more than double the recovery of call setup costs (11.83 minutes versus 5.00 minutes).

FILE

**SUBSCRIBER LINE USAGE STUDY
 CALL RATE SUMMARY REPORT
 TENNESSEE
 1998 Averages**

SUM OF LOCAL CALLS PLUS ISP CALLS

<u>SLUS CLASS</u>	(1) <u>NUMBER OF LINES</u>	(2) <u>CALLS PER LINE</u>	(3) <u>TOTAL CALLS</u>	(4) <u>MINUTES PER CALL</u>	(5) <u>TOTAL MINUTES</u>	(6) <u>AVERAGE MIN/CALL</u>
Residence Flat	1,241,882	168.0	208,636,176	5.6	1,168,362,586	
Residence Message	82,900	60.2	4,990,580	7.4	36,930,292	
Residence Measured	11,756	80.3	944,007	4.4	4,153,630	
Area Plus/Complete Choice	55,966	340.3	19,045,230	4.5	85,703,534	
Area Plus	51,160	227.8	11,654,248	5.9	68,760,063	
Residence Flat ISDN	22,267	202.7	4,513,521	44.4	200,400,328	
Residence Measured ISDN	465	272.4	126,666	14.7	1,861,990	
Residence Resionserv	17,959	136.2	2,446,016	5.2	12,719,282	
Complete Choice	409,428	342.6	140,270,033	3.8	533,026,125	
Residence Miscellaneous	8,003	282.8	2,263,248	4.0	9,052,994	
Business Flat	350,981	249.6	87,604,858	4.5	394,221,859	
Business Measured/Message	13,765	183.1	2,520,372	2.1	5,292,780	
Business PBX Flat	22,544	319.3	7,198,299	2.5	17,995,748	
Busienss PBX Measured	83,112	431.9	35,896,073	2.6	93,329,789	
Business PBX Message	3,197	295.5	944,714	2.9	2,739,669	
Business Flat ISDN	15,513	360.0	5,584,680	32.6	182,060,568	
Business Measured ISDN	5,228	242.4	1,267,267	36.5	46,255,253	
ESSX Flat	59,051	561.1	33,133,516	2.0	66,267,032	
ESSX Measured	37,470	431.1	16,153,317	2.6	41,998,624	
Multiserv	7,749	210.8	1,633,489	2.6	4,247,072	
Business RegionServ	126,445	229.5	29,019,128	4.5	130,586,074	
IPP-Coin	29,393	173.6	5,102,625	2.3	11,736,037	
Business Miscellaneous	19,099	82.8	1,581,397	2.3	3,637,214	
Business Plus	20,613	144.6	2,980,640	2.8	8,345,791	
TOTALS	2,695,946		625,510,098		3,129,684,334	5.00
						Average Minutes Per Call - Combined for Local + ISP Calls

FILE

**AMOUNTS BILLED FROM TENNESSEE CLECS TO BELL SOUTH
 ISP PLUS LOCAL CALLS - INTERCARRIER ONLY**

SECTION I: Actual Minutes of Use and Calls			
	(1) Minutes of Use (MOUs)	(2) Minutes Per Call	(3) Number of Calls (A)
			(4) Average Duration Col. (1)/Col. (3)
Local + ISP Calls	4,629,906,581		391,301,329
			11.83

SECTION II: CLEC Billed Minutes & Estimated Calls				
ISP CALLS:				
<u>Invoice Date</u>	(1) Minutes of Use (MOUs) (B)	(2) Minutes Per Call (C)	(3) Number of Calls	(4) Average
Oct-98	162,617,125	22	7,391,688	
Nov-98	180,379,380	22	8,199,063	
Dec-98	190,558,151	22	8,661,734	
Jan-99	222,962,489	22	10,134,659	
Feb-99	285,976,369	22	12,998,926	
Mar-99	262,796,769	22	11,945,308	
Apr-99	316,676,993	22	14,394,409	
May-99	307,956,890	22	13,998,040	
Jun-99	313,052,508	22	14,229,659	
Jul-99	380,103,045	22	17,277,411	
Aug-99	488,707,329	22	22,213,970	
Sep-99	519,162,084	22	23,598,277	
Sub-Totals	3,630,949,132		165,043,142	22.00
LOCAL CALLS:				
Oct-98	70,754,978	3.5	20,215,708	
Nov-98	67,680,624	3.5	19,337,321	
Dec-98	68,263,344	3.5	19,503,813	
Jan-99	72,471,513	3.5	20,706,147	
Feb-99	74,747,514	3.5	21,356,433	
Mar-99	83,314,011	3.5	23,804,003	
Apr-99	98,508,260	3.5	28,145,217	
May-99	94,241,887	3.5	26,926,253	
Jun-99	95,677,013	3.5	27,336,289	
Jul-99	78,437,973	3.5	22,410,849	
Aug-99	95,228,318	3.5	27,208,091	
Sep-99	99,632,014	3.5	28,466,290	
Sub-Totals	998,957,449		285,416,414	3.50
Totals	4,629,906,581		450,459,556	10.28

NOTE (A): Column (3) is actual total local & ISP calls from BellSouth records.

NOTE (B): Column (1) MOUs are from Rebuttal Exhibit AJV-1 (Docket 99-00430) and AJV-2 (Docket 99-00377)

NOTE (C): The estimated minutes per call is based on the NARUC and Bellcore studies filed with BellSouth's original response to Late Filed Hearing Exhibit Item No. 4: 3 minutes local and 20 minutes for ISP, increased to update study data. Per BellSouth's Reply Comments to the FCC (Direct Exhibit AJV-6, Docket 99-00430; Direct Exhibit AJV-5, Docket 99-00377) local calls are estimated at 3-4 min., ISP calls at 20-25 min.

FILE

CERTIFICATE OF SERVICE

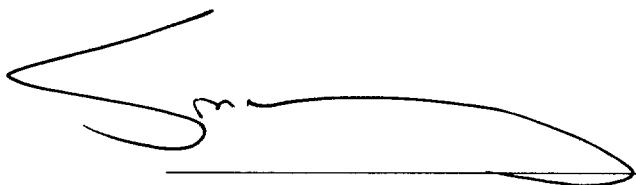
I hereby certify that on December 3, 1999, a copy of the foregoing document was served on the parties of record, via the method indicated:

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Gary Hotvedt, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0500

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

H. LaDon Baltimore, Esquire
Farrar & Bates
211 Seventh Ave. N, # 320
Nashville, TN 37219-1823

A handwritten signature in black ink, appearing to read "Gary Hotvedt", written over a horizontal line.